

## AMENDMENT OF SOLICITATION



1. AMENDMENT

**A003**

2. EFFECTIVE DATE

**June 6, 2016**

3. REQUISITION NO.

N/A

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4. ISSUED BY

Purchasing & Strategic Sourcing Division  
City of El Paso, City #1  
300 N. Campbell, 1<sup>st</sup> Floor  
El Paso, Texas 79901-1153

5A. AMENDMENT OF SOLICITATION NO. **2016-771**

TITLED: Janitorial Services – ESD Various Facilities

5B. BID DUE DATE:

**June 8, 2016**

6. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in item 7. The hour and date specified for receipt of offers ☐ is EXTENDED or ☐ NOT EXTENDED

**All amendments must be acknowledged on the "SOLICITATION OF OFFERS". Failure to do so may be cause for rejection of offer.**

7. DESCRIPTION OF AMENDMENT

1. Bonding Requirements (Attached)

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE DOCUMENTS, AS HERETOFORE CHANGED, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

**CITY OF EL PASO  
BRUCE D. COLLINS, CPPO  
PURCHASING DIRECTOR**

BY \_\_\_\_\_/s/\_\_\_\_\_  
Virginia Venegas  
Procurement Analyst

Approved \_\_\_\_\_/s/\_\_\_\_\_  
Haydee Pena  
Purchasing Agent



## Payment and Performance Bonds and Contractor Termination

KEY DEFINITIONS	
<b>Payment Bonds</b>	A promise of a surety assuring payment to all persons supplying labor or materials in the prosecution of the work provided for in the contract.
<b>Performance Bonds</b>	A promise of a Surety, sometimes referred to as a "completion bond" to assure the City that once the contract is awarded, the contractor will perform its obligations under the contract. If a contractor fails to perform its obligations under the contract the surety company which issued the bond is obligated to fulfill the term of the contract at no additional cost to the City.
<b>Responsibility</b>	The status of contractor determining that it has the capability; tenacity and perseverance to perform a contract.
<b>Sourcing</b>	The process of selecting a contractor through competitive procurement or negotiation.
<b>Termination far Default</b>	<p>The exercise of the government's right to completely or partially terminate a contract because of the contractor's actual or anticipated failure to perform its contractual obligations.</p> <p>Typical causes are if the contractor fails to <b>(i)</b> deliver goods or services within the time specified; <b>(ii)</b> perform any other provision of the contractor (insurance lapse); <b>(iii)</b> make sufficient progress, if the failure endangers performance of the contract.</p>
<b>Termination for Convenience</b>	The exercise of the government's right to completely or partially terminate a contract when it is in the government's best interest.

## PAYMENT & PERFORMANCE BONDS

**The amount of the bonding requirement to equal a four (4) month value of the contract.**

Example:

The amount of the contract is awarded for \$120,000 annually.

The monthly cost would be billed at \$10,000 per month. ( $\$120,000 / 12 = \text{monthly cost}$ )

The bonding requirement would be 4 months X \$10,000 = \$40,000.

Formula:

$(\text{Annual Award} / 12) = \text{Monthly cost}$

$\text{Monthly cost} \times 4 = \text{Bonding Requirement}$

## CONTRACTOR TERMINATION

There are two classifications for default termination, Level One and Level Two.

**Level One-** Contractors terminated for default and the City has to engage the surety company to complete the contract. A Level One default would result in a contractor retaining the non-responsible designation for three years from the date of the termination. Said contractor would be placed on the "Ineligible Source List" for three years.

**Level Two-** Contractors which are terminated for default due to their inability to obtain the appropriate level. of bonding. A Level Two default would result in a contractor having the non-responsible designation for one year or until they provide written confirmation from a surety company that the contractor's bonding capacity has been increased or said contractor has obtained bonding to mitigate the condition for which they were terminated.